

COASTAL CONSERVANCY

Staff Recommendation

May 27, 2010

WETHERELL DAIRY AND SENASTRARO PROPERTY PRE-ACQUISITION STUDIES AND MCNAMARA RANCH RESTORATION AND MANAGEMENT PLANNING

File No. 08-166-01

Project Manager: Joel Gerwein

RECOMMENDED ACTION: Authorization to disburse up to \$70,000 to the Northcoast Regional Land Trust to conduct pre-acquisition planning for a conservation easement on the 160-acre Wetherell Dairy in Fort Dick, California and fee title to the 40-acre Senestraro property in Eureka, California; and to prepare a Restoration and Management Plan for the McNamara Dairy in Orick, California.

LOCATION: Eureka and Orick, Humboldt County and Fort Dick, Del Norte County

PROGRAM CATEGORY: Agricultural Preservation and Resource Enhancement

EXHIBITS

Exhibit 1: [Project Location and Site Map](#)

Exhibit 2: [Site photographs](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31111, 31150-31156 and 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed \$70,000 (seventy thousand dollars) to the Northcoast Regional Land Trust to conduct pre-acquisition planning for a conservation easement over the approximately 160-acre Wetherell Dairy in Fort Dick, California (Del Norte County Assessors Parcel Numbers 105-020-02 and 105-020-03) and the potential acquisition of fee title to the 40-acre Senestraro Property on Martin Slough in Eureka, California (Humboldt County Assessors Parcel Numbers 301-211-06, 301-211-07, 301-221-01, and 302-161-03), and to prepare a Restoration and Management Plan for the 77-acre McNamara Dairy (Humboldt County Assessors Parcel Numbers 520-191-021, 520-201-009, and 520-211-006), as shown on Exhibit 1 to the accompanying staff recommendation. Prior to the disbursement of any Conservancy funds for the project, the Northcoast Regional Land Trust shall submit for the review and approval of the Executive

Officer of the Conservancy a work plan, schedule, budget, and the names of any contractors to be employed for the project.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the Conservancy’s current Project Selection Criteria and Guidelines.
2. The proposed authorization of funding to support pre-acquisition studies for the Wetherell Dairy is consistent with the purposes and objectives of Section 31111 of Division 21 of the Public Resources Code, regarding plans and feasibility studies, and Chapter 4 (Sections 31150-31156), regarding the preservation of agricultural land.
3. The proposed authorization of funding to support pre-acquisition studies for the Senestraro Property is consistent with the purposes and objectives of Section 31111 of Division 21 of the Public Resources Code, regarding plans and feasibility studies, and Chapter 4 (Sections 31150-31156), regarding the preservation of agricultural land, and with Chapter 6 (Sections 31251-31270), regarding the enhancement of coastal resources.
4. The proposed authorization of funding to support restoration and management planning for the McNamara Dairy is consistent with the purposes and objectives of Section 31111 of Division 21 of the Public Resources Code, regarding plans and feasibility studies, and Chapter 6 (Sections 31251-31270), regarding the enhancement of coastal resources.
5. The Northcoast Regional Land Trust is a nonprofit organization existing under section 501(c)(3) of the Internal Revenue Service code, and whose purposes are consistent with Division 21 of the Public Resources Code.

PROJECT SUMMARY:

This authorization will enable the Northcoast Regional Land Trust (NRLT) to obtain and review the necessary acquisition-related documentation (appraisals, title reports, Phase I studies) and continue negotiating with the landowners to facilitate the acquisition of a conservation easement over the 160-acre Wetherell Dairy in Fort Dick, CA and fee title to the 40-acre Senastraro property on Martin Slough in Eureka, CA, and to prepare a Restoration and Management Plan for the 77-acre McNamara Dairy in Orick, CA (Exhibit 1) (“the project”). The pre-acquisition planning is being done in anticipation that staff is likely to request an authorization for partial funding of these two acquisitions at a later time. Pre-acquisition planning will be done pursuant to Conservancy standards, such that NRLT can negotiate a transaction that satisfies the requirements of Division 21 and other state laws. Restoration and management planning for the McNamara Dairy is important to maximize the habitat value and agricultural value of this land, which was purchased with a Conservancy grant in 2007. In addition, planning for the McNamara Dairy will facilitate the planning process for restoration of the entire Redwood Creek Estuary, of which the Dairy is one portion.

Wetherell Dairy Conservation Easement

Acquisition of a conservation easement on the 160-acre Wetherell Dairy property is critical to allow the farm to remain in operation, which will contribute to the Conservancy's goal of preserving working landscapes in the coastal zone. The Wetherell Dairy has been operated by the family since William Carey Bailey started the farm in 1868. Rich Wetherell, William Bailey's great-great-grandson, currently manages the farm, milking 180-200 jersey cows. The farm is located in the Smith River Plain, along the banks of the wild and scenic Smith River, with 3,000 ft of riverfront. The dairy pastures provide feeding grounds for thousands of Aleutian Geese in late winter, as well as foraging areas for raptors, including peregrine falcons, and habitat for other wildlife. Family members with shared ownership in the farm now wish to sell their shares, and the conservation easement could raise the necessary capital to pay for their shares so that the land is not sold for development. The farm is zoned "Agriculture Exclusive," which allows the landowner to subdivide the land into 40 acre parcels and build a single residence on each 40 acre parcel. It is also possible that the land could be rezoned for more intensive development; Del Norte County has actively re-zoned many parcels zoned for "Agriculture" and "Timber Production" within the last 10 years to permit development and commercial enterprises such as recreation. For example, a parcel adjacent to Lake Earl was recently rezoned and subdivided to allow the development of a 30 space RV park. If the Wetherells are not able to raise funds through a conservation easement, their best access to funds would be through subdivision and sale of the land.

Conservancy funds would allow NRLT to obtain and review a property appraisal, title report, and environmental assessment. In addition, Conservancy funds would pay a portion of NRLT staff time required to negotiate the terms of a conservation easement with the Wetherells, allowing them to meet their goals of continuing agricultural operations while satisfying the conservation goals of potential easement funders.

Senestraro Property

Purchase of the Senastraro property is important to restoring Martin Slough. The Senastraro property, which is currently used for grazing, is located at the confluence of Martin Slough and Swain Slough. The Conservancy has worked for a number of years with Redwood Community Action Agency (RCAA, a nonprofit organization), the City of Eureka and others to identify restoration alternatives for Martin Slough. The preferred restoration alternative involves multiple actions on the Senastraro property, including restoring wetlands, widening the channel of Martin Slough, and restoring riparian vegetation on the slough banks. Ownership of this key parcel would provide flexibility in the final restoration design for the City of Eureka and RCAA.

Martin Slough was historically an important tributary to the Elk River, which drains to Humboldt Bay. Martin Slough and the Elk River historically provided substantial anadromous fish habitat and other aquatic/riparian values. The tidal and freshwater wetlands historically surrounding Martin Slough once provided abundant habitat for waterfowl, geese, and other avian and terrestrial species. However, Martin Slough has been extensively modified over the past century by channel straightening and installation of tide gates at its confluence with Swain Slough. Tide gates have restricted fish passage and sediment routing. Channel realignment has altered the natural channel dimensions and sinuosity. In addition, removal of riparian vegetation has allowed plants such as canary grass to become established within the active channel by removing the shade canopy, and reducing conveyance capacity, thereby causing sedimentation of the stream bed.

Pasturelands adjacent to the lower end of the slough are subject to frequent flooding, reducing their productivity for grazing. An opportunity exists to improve both the grazing value as well as wetland habitat by re-grading agricultural lands to improve wetland hydrological functions adjacent to the lower reach of the slough, while reducing flooding on the remainder of the property. Acquisition of the Senestraro property would allow the restoration project to move forward, providing an opportunity to restore wetlands and riparian vegetation, enhance salmonid habitat, and improve the productivity of the approximately 75% of the property that is expected to remain in grazing.

Conservancy funds would allow NRLT to obtain and review a property appraisal, title report, and environmental assessment. In addition, Conservancy funds would pay for a portion of NRLT staff time required to negotiate the terms of sale with the Senestraros, who are interested in a leaseback provision to allow them to continue grazing livestock on the property.

McNamara Dairy

Preparation and implementation of a Restoration and Management Plan for the McNamara Dairy is an important step in developing a Redwood Creek estuary enhancement project. NRLT staff will work with U.S. Fish and Wildlife Service (USFWS) and local specialists to develop a plan that addresses wildlife habitat and agricultural infrastructure improvements. Elements of the Restoration and Management Plan will include current and historical conditions; geomorphic and riparian restoration alternatives for Sand Cache Creek; alternatives for balancing upper pasture drainage improvement with wetland creation and enhancement goals; invasive plant management plan; wetland enhancement plan; agricultural management goals; cross-fencing and water systems upgrade design; public access plan; and assessment of required permits. This plan will provide guidance for holistic management of the property, balancing agriculture and wildlife habitat, and planning for improvements of both.

The Dairy is a key property in the lower Redwood Creek estuary, and would be affected by future estuary enhancement work. It was acquired by the NRLT in 2009 through a Conservancy grant, in order to: 1) preserve the McNamara Dairy as productive, coastal agricultural property, and 2) promote lower Redwood Creek estuary enhancement opportunities. The Conservancy has worked extensively with the County of Humboldt, Redwood National and State Parks, NOAA Fisheries, the California Department of Fish and Game, and others to seek ways to protect and enhance the Redwood Creek estuary, a biologically important estuary that was badly degraded due to the construction of a flood control system by the Army Corps of Engineers in 1968 and land uses in the watershed. The McNamara Dairy is currently leased for cattle grazing. However, lease revenue is primarily being used to repair the property's perimeter fencing, and is therefore not currently available to fund planning efforts.

NRLT is highly qualified to carry out this project for the potential acquisition of these two properties and restoration and management planning for the third property. Since the organization's founding in 2000, it has successfully protected over 6,000 acres in the region through conservation easements. NRLT has completed several transactions with the support of the Conservancy and is a reliable organization to assist the Conservancy with its parallel goals of protecting agriculture and restoring natural communities in the coastal zone. NRLT has demonstrated its ability to balance agriculture with restoration opportunities at Freshwater Farms near Eureka, whose acquisition was funded by the Conservancy.

Site Description:

Wetherell Dairy

The Wetherell Dairy is located on Bailey Road, approximately one mile north of Fort Dick, California, in the Smith River Plain along the banks of the Smith River. The farm is surrounded by grazing lands. The farm includes a recently renovated and modernized milking barn, with a fully automated milking system and new, innovative bedding material to provide winter shelter for nearly 200 Jersey cows. In addition, the Wetherells recently installed a state-of-the-art manure storage and irrigation system. Using an automated traveling sprinkler and new storage technologies, this system can carefully regulate the application of nitrogen to their network of grazing fields. This system will have the added benefit of improving water quality by reducing run-off during the winter months. The farm house was built in 1904, and serves as the Wetherell family residence.

Senestraro Property

The 40 acre Senestraro property is located on Pine Hill Road in Eureka at the confluence of Martin and Swain Sloughs. The property is bordered by residential development to the north, agricultural land to the south, salt marsh to the west, and the Eureka municipal golf course to the east. The property consists of grasslands dominated by species such as annual bluegrass (*Poa annua*) and perennial ryegrass (*Lolium perenne*). Much of the property's grasslands are seasonal wetlands, characterized by species such as meadow foxtail (*Alopecurus genticulatus*) and creeping buttercup (*Ranunculus repens*), with a smaller area of upland grassland, characterized by species such as hairy cat's ear (*Hypochaeris radicata*) and sweet vernal grass (*Anthoxanthum odoratum*). Lyngbye's sedge (*Carex lyngbyei*), listed by the California Native Plant Society as a rare plant (List 2), is found along the banks of Martin Slough within the property. The property includes a barn located at the east end of Pine Hill Road.

McNamara Dairy

The McNamara Dairy consists of 77 acres located in northern Humboldt County's coastal zone, south of Hufford Road near Orick, a small community situated on Redwood Creek near its confluence with the Pacific Ocean. The property is made up of two parcels connected by a 30-ft-wide corridor; the two parcels contain two pastures and five dairy buildings. Located on the north bank of the Redwood Creek Estuary, the property is a historical floodplain, but is now separated from the river by a levee constructed in 1967.

The lower parcel exhibits traditional pasture characteristics, dominated by grasses and forbs, with a significant thistle and Himalaya blackberry population invading certain areas. A drainage canal runs along the northern side of the levee, which is located at the southern extent of the property. The upper parcel exhibits characteristics that would categorize it as a wetland. Rushes, skunk cabbage, and other hydrophilic plant species dominate the landscape. Some invasive *Spartina* clumps have been observed as well. Sand Cache Creek, a tributary to the Redwood Creek estuary that drains 0.87 square miles, runs through the middle of the parcel. The channel has been straightened and simplified over decades of agricultural management and there is no riparian habitat to speak of.

The variety of habitats found on the McNamara Dairy property (pasture, spruce bog, willow clusters, wetlands, freshwater creek, estuary) has allowed a wide assortment of native plant and

animal species to thrive in a relatively small area. Waterfowl, raptors, and numerous songbirds call the area home. A recent informal bird survey by NRLT and USFWS staff found Allen's hummingbird and Purple finch, among others, on the property. Sand Cache Creek, if restored, has the potential to provide quality habitat for estuarine fish species. Deer and elk regularly travel through the area.

Project History:

Wetherell Dairy

The Wetherell family approached NRLT about conservation planning for their property in August 2008. NRLT contacted the Conservancy in October 2008. Conservancy staff has been working with NRLT on the project since that time.

Senestraro property

The project will facilitate restoration of Martin Slough. Frequent and prolonged flooding of roads, agricultural land, and the Eureka municipal golf course along Martin Slough has occurred for a significant number of years, reducing the economic and recreational values of the area. Further, degradation of fish and waterfowl habitat have diminished the ecological value of the area. Both factors clearly establish a need for this project. The Conservancy granted \$100,000 to RCAA in 2002 to prepare the Martin Slough Enhancement Plan, which was completed in 2005. The project participants agreed on a preferred alternative in 2006, and the City of Eureka is currently preparing an environmental impact report for the restoration project, and RCAA is in the process of raising funds for the restoration. RCAA approached the Conservancy about the acquisition of the Senestraro property in June 2008, and approached NRLT about acquiring the property in September 2008. Conservancy staff has been working with NRLT and RCAA on the Senestraro acquisition since that time.

McNamara Dairy

The McNamara Dairy is centrally located within the Redwood Creek Federal Flood Control Project. Completed in 1968 by the United States Army Corps of Engineers in response to the historic 1964 floods, and over the protests of the United States Fish and Wildlife Service and the California Department of Fish and Game, the Redwood Creek Federal Flood Control Project drastically modified and denigrated the creek's highly productive estuary. Annual runs of salmon, estimated by the United States Fish and Wildlife Service at nearly 20,000 (5,000 chinook, 2,000 coho, 10,000 steelhead) declined abruptly following project completion, and have never recovered. Once completed, the flood control project, and necessary maintenance, was turned over to Humboldt County.

To exacerbate already degraded habitat conditions, the logging heyday of the 1950s-1980s caused massive amounts of silt and gravel to wash down hillsides into the channel. As the channel filled in, the flood control project's ability to carry flood flows diminished. Increased maintenance in the form of gravel extraction and willow removal from the riparian zone was needed to maintain flood protection, but such efforts grew more difficult to conduct over time.

Like many flood control projects of this period, the Redwood Creek Project was built to specifications incompatible with the survival of wildlife resources, and inconsistent with current regulatory standards. According to the County, "these levees are the casualty of an irreconcilable conflict between (1) federal policies for flood protection, and (2) federal/state laws and

regulations for endangered species and habitat protection.” (3/24/08, County of Humboldt). Needless to say, contemporary requests to maintain the project to the standards of an earlier time meet with little success, and habitat improvement stalls. The surreal nature of the conflict was highlighted at several points when the Readiness Branch of the Army Corps ordered the County to maintain the project while, simultaneously, the Regulatory Branch prohibited the County from doing so. Thus, the estuary was lost as an ecologically valuable part of the Redwood Creek system, while the contribution of the flood control system diminished over time.

For decades, salmon restoration proponents have sought restoration of the Redwood Creek estuary in general, and modification of the levee system in particular. Department of Fish and Game staff has written that the “present condition of the estuary/lagoon is considered a major limiting factor to the production of anadromous salmonids of the Redwood Creek basin.” DFG further states, “[r]estoration efforts that move conditions and processes of the Redwood Creek estuary towards historic status should receive high ecosystem priority” (2004, Recovery Strategy for California Coho Salmon, DFG). Estuary Restoration proponents have long recognized that easements or ownership of property adjacent to the flood control project would be necessary to achieve habitat restoration, and that continued flood protection must be incorporated into any enhancement plan. While awaiting opportunities for land acquisition in the floodplain, the Conservancy funded an examination of estuary enhancement and setback levee opportunities in 2003. Local resistance to project modifications ran strong. With few opportunities to affect change, and no property available at that time there seemed little hope for resolving the impasse.

Prospects for estuary enhancement improved when NRLT acquired the McNamara Dairy with a Conservancy grant in 2009. NRLT has initiated discussions with various individuals and entities that are involved in the management of the lower Redwood Creek watershed, and has made a concerted effort to introduce itself as a cooperative participant and responsible neighbor in the region. NRLT has recently negotiated a lease with a local beef cattle producer, and will work with them to improve the pasture quality, rebuild dilapidated fencing, and enhance wetland habitat. NRLT requested funding for restoration and management planning for this property in 2009. Conservancy staff has been working with the NRLT on Redwood Creek estuary planning since that time.

PROJECT FINANCING:

Coastal Conservancy	\$70,000
US Fish and Wildlife Service	\$11,000
Northcoast Regional Land Trust	<u>2,500</u>
Total Project Cost	\$83,500

The anticipated source of funding for this project is the fiscal year 07/08 appropriation of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (“Proposition 84”). This funding source may be used for the protection of coastal waters and watersheds, pursuant to the Conservancy’s enabling legislation, Division 21 of the Public Resources Code. The proposed project is also appropriate for prioritization under the criteria in Section 75071 because the project will provide watershed protection to the Smith River, the Elk River and Humboldt Bay, and Redwood Creek. The project will provide watershed protection to the Smith River by preventing development from occurring along the

riverbanks through the potential acquisition of a conservation easement on the Wetherell Dairy. The Smith River is California's only major undammed river. The project will provide watershed protection to the Elk River and Humboldt Bay through the potential fee acquisition of the Senestraro Property, which will facilitate restoration of Martin Slough. The project will provide watershed protection to Redwood Creek by improving management of property in the estuary floodplain, and by advancing the enhancement of Redwood Creek estuary. U.S. Fish and Wildlife Service funds will support the preparation of the McNamara Dairy Restoration and Management Plan. NRLT is a small, local land trust, and as such, has limited funds of its own to commit towards the pre-acquisition work for these two properties.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is undertaken pursuant to Section 31111 of Division 21, Chapter 4, Sections 31150-31156 (regarding coastal agriculture) and Chapter 6, Sections 31251-31270 (regarding resource enhancement), as discussed below. Support for pre-acquisition studies for the Wetherell Dairy is undertaken pursuant to Section 31111 and Chapter 4 of Division 21. Support for pre-acquisition studies for the Senestraro Property is undertaken pursuant to Section 31111, Chapter 4 and Chapter 6 of Division 21. Support for restoration and management planning for the McNamara Dairy is undertaken pursuant to Section 31111 and Chapter 6 of the Division 21.

Pursuant to Section 31111, the Conservancy "may fund and undertake plans and feasibility studies, and may award grants to public agencies and nonprofit organization" for the purposes of preserving coastal agricultural lands, restoring coastal habitat, providing public access to the coastline, and undertaking other functions prescribed in Division 21. Consistent with this section, the proposed project provides funds to the NRLT to complete pre-acquisition planning work and conduct landowner negotiations necessary for the acquisition of coastal agricultural land in the Wetherell Dairy and Senestraro Property, and to complete restoration and management planning to enhance wildlife habitat and coastal agriculture.

Pursuant to Section 31156, the Conservancy "may award grants to public agencies and nonprofit organizations for the purpose of acquiring fee title, easements, or other interests in land located in the coastal zone in order to prevent loss of agricultural land to other uses and to assemble agricultural lands into parcels of adequate size permitting continued agricultural production." Consistent with this section, the proposed project provides funds to the NRLT to complete pre-acquisition planning work and conduct landowner negotiations necessary for the acquisition of a conservation easement over the Wetherell Dairy and acquisition of fee title to the Senestraro Property, both of which are located in the coastal zone. The project may prevent future development and loss of agricultural potential.

Pursuant to Section 31251, the Conservancy may award grants to nonprofit organizations for the purpose of enhancement of coastal resources that, because of human-induced events, or incompatible land uses, have suffered loss of natural and scenic values. Consistent with this section, the NRLT will complete pre-acquisition planning work, and conduct landowner negotiations to facilitate the acquisition of the Senestraro property, and will prepare a Restoration and Management Plan for the McNamara Dairy. Acquisition of the Senestraro property is critical to the restoration of Martin Slough, which suffers from channelization, loss of riparian vegetation, and restriction of fish passage by tide gates. If the land were acquired, it would be

permanently dedicated for the protection and enhancement of existing wildlife resources, and for the maintenance of agricultural practices on the property compatible with the protection and enhancement of wildlife. Landowner negotiations regarding the Senastraro property will facilitate the development of a lease agreement for continued agricultural operations at the site. Restoration and management of the McNamara Dairy will advance the protection and enhancement of existing wildlife resources and the maintenance of wildlife-compatible agricultural practices on the property, and will further the enhancement of the Redwood Creek estuary as a whole.

Pursuant to Section 31252, all areas proposed for resource enhancement are to be identified in a Local Coastal Plan/Program (LCP) as requiring public action to resolve existing or potential resource problems. Consistent with this section, the proposed project will facilitate the protection restoration of Martin Slough and associated wetlands, and is therefore consistent with the Eureka LCP, as described in the “Consistency with Local Coastal Plan” section, below. Planning for restoration and management of the McNamara Dairy, located in the coastal zone, is consistent with this section, as the Redwood Creek estuary is identified in the Humboldt County North Coast Area Plan of the Humboldt County Local Coastal Program as an area in need of resource enhancement (LCP 3-24).

Finally, pursuant to Section 31253, “(the) Conservancy may provide up to the total of the cost of any coastal resource enhancement project...” and the amount of the Conservancy contribution to be determined after an assessment of funding generally available and other factors. The proposed contribution by the Conservancy was determined based on the limited funds available to NRLT. The NRLT has obtained match funding from the USWFS for the McNamara Dairy planning work. Staff intends to seek match funding from a variety of state and federal sources for the acquisitions themselves, including the California Wildlife Conservation Board and the USFWS.

CONSISTENCY WITH CONSERVANCY’S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 4, Objective A** of the Conservancy’s 2007 Strategic Plan, the proposed project will facilitate the protection of 40 acres of significant coastal and watershed resource property that provides an opportunity for wetland and riparian restoration in a once-productive salmon stream.

Consistent with **Goal 5, Objective A** of the Conservancy’s 2007 Strategic Plan, the proposed project will provide funding for a plan to restore and manage 77 acres of significant coastal and watershed resource property. The property provides an opportunity for wetland and riparian restoration in a once-productive salmon creek.

Consistent with **Goal 7, Objective A** of the Conservancy’s 2007 Strategic Plan, the proposed project will provide funding for a plan to protect 200 acres of working lands, thereby protecting the agricultural character of the Smith River Plain in Del Norte County and the Elk River Valley in the Humboldt Bay watershed, and ensuring the opportunity for future wetlands and riparian restoration along lower Martin Slough.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on September 20, 2007, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** Supporters of the project include the Redwood Community Action Agency, the City of Eureka, State Senator Pat Wiggins, and Assemblyman Wes Chesbro. Support letters are in Exhibit 3.
4. **Location:** The Wetherell Dairy, McNamara Dairy and the Senestraro property are all located in the coastal zone.
5. **Need:** NRLT is a small, local land trust and will not be able to complete the pre-acquisition and planning work for these three projects without Conservancy support. Due to the desire of family shareholders to sell their interests in the property, the acquisition of a conservation easement is critical to keeping the Wetherell Dairy in operation, and thus to maintaining coastal agriculture in this portion of the Smith River Plain. Flooding of roads, agricultural land, and the golf course has reduced the economic and recreational values of the Martin Slough area where the Senestraro property is located. Further, degradation of fish and waterfowl habitat, have diminished the ecological value of the area. Both factors clearly establish a need for the restoration of Martin Slough, and the acquisition of the Senestraro property is critical to the restoration. Preparation and implementation of a Restoration and Management Plan for the McNamara Dairy is a key step in developing a Redwood Creek estuary enhancement project. The plan should to be completed in the near future to allow progress on Redwood Creek estuary enhancement.
6. **Greater-than-local interest:** The public trust value of California's salmon, steelhead, and coastal waterfowl populations warrant the enhancement of historically rich but degraded habitat areas, such as Martin Slough adjacent to the Senestraro property, and Sand Cache and Redwood Creeks, adjacent to the McNamara Dairy. The prime agricultural lands and moderate climate of the Smith River Plain make the preservation of agriculture in this portion of the coastal zone especially important to California's agriculture.
7. **Sea level rise vulnerability:** Flooding of the properties would likely increase as a result of sea level rise. Increased flooding will be accounted for in the restoration and management planning supported by this project for the McNamara Dairy, and in the planning anticipated after acquisition for the Wetherell Dairy and Senestraro property.

Additional Criteria

8. **Urgency:** The willingness of the private landowners to sell their properties for conservation purposes depends to some extent on the expeditiousness of the sale. The Wetherell family

needs to raise cash in the near future to satisfy the needs of family shareholders. The Senestraro property needs to be acquired in the near future to allow the Martin Slough restoration project to move forward. Completion of the McNamara Dairy Restoration and Management Plan will facilitate progress on Redwood Creek Estuary Enhancement.

9. **Resolution of more than one issue:** The acquisition of the Senestraro property will allow both the restoration of wetlands and riparian habitat and will reduce the frequency and duration of flooding in the vicinity, thereby enhancing agricultural productivity, increasing recreational opportunities at the Eureka's municipal golf course and reducing damage to the neighboring residential area. Completion of the McNamara Dairy Restoration and Management Plan will facilitate the enhancement agricultural productivity on a portion of the dairy, as well as wildlife habitat enhancement on the Dairy and in the adjacent Redwood Creek Estuary.
11. **Innovation:** The Martin Slough restoration project is an alternative, environmentally sensitive approach to providing flood control through wetland and riparian restoration, representing an exciting new trend in the restoration of coastal estuaries and the recovery of coastal salmon resources.
12. **Readiness:** The grantee has already begun negotiations with both landowners and is ready to move forward with pre-acquisition studies. The grantee has already begun work on the McNamara Dairy Restoration and Management Plan using other funds.
13. **Realization of prior Conservancy goals:** See "Project History" above for discussion of prior Conservancy goals related to Martin Slough restoration and Redwood Creek estuary enhancement.
15. **Cooperation:** The Wetherell family is contributing a small amount in matching funds (\$2,500) to NRLT for the project. Acquisition of the Senestraro property will advance the Martin Slough Restoration, which involves collaboration with the City of Eureka and RCAA. The USFWS Coastal Restoration Program is contributing funds (\$11,000) for the McNamara Dairy Restoration and Management Plan.
17. **Vulnerability from climate change impacts other than sea level rise:** Agricultural use of the properties is expected to be sustainable despite climate change impacts other than sea level rise, due to the moderating effects of coastal fog. Restoration and management planning for the McNamara Dairy, and future restoration planning for the Senestraro Property, will address increased flooding and invasive species, two anticipated effects of climate change.
18. **Minimization of Greenhouse Gas Emissions:** The pre-acquisition studies do not involve activities that will result in greenhouse gas emissions. Restoration and management planning for the McNamara Dairy will consider how the property can be most efficiently managed for agricultural use and how restoration activities can be conducted most efficiently, minimizing greenhouse gas emissions from those activities.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

Wetherell Dairy

The Wetherell Dairy is zoned “Agricultural Exclusive” in the Del Norte County Local Coastal Plan (Del Norte County LCP), as certified by the Coastal Commission in 1983. The LCP states that the intention of this zoning is “to provide for the protection of agricultural land and uses against encroachment by other uses which may be in conflict therewith... It is the intention of this section to prevent the subdividing of prime agricultural lands into lot sizes which might threaten the use of such lands for agriculture...” (Del Norte County LCP, Section 21.08.010. pg. 22). The Wetherell Dairy is located between Moorehead Road and the Oregon border, the area described in the LCP as “typify[ing] prime agricultural land in the County” (pg. 191). Furthermore, the LCP states that “the most valuable agricultural lands in Del Norte County are those utilized for nursery crop, livestock, and dairy production” (ibid.)

The LCP states that “Del Norte County fully acknowledges the need to conserve its valuable agricultural resources” (pg. 193) and delineates the following policy relevant to the proposed project to meet the goal of agricultural protection:

4. Conversion of land designated for agricultural use shall be made only when agricultural use is no longer feasible...

The acquisition of a conservation easement to ensure continued agricultural use of the Wetherell Dairy is therefore consistent with the Del Norte County LCP.

Senestraro Property

Rivers, creeks, sloughs, gulches, wetlands, estuaries, and associated riparian habitats, specifically including the Elk River (to which Martin Slough is a tributary), as well as grazed or farmed wetlands, are identified in the City of Eureka Local Coastal Program (Eureka LCP) as environmentally sensitive habitat areas (ESHA) within the City of Eureka’s coastal zone. [Eureka LCP (V-21)]. Policy 5.6 of the LCP states, in part, that “(e)nvironmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on such resources shall be allowed within such areas.” [Eureka LCP (V-21)] Inasmuch as restoration projects are considered a consistent use, the acquisition of the Senastraro property in order to advance the restoration of Martin Slough is consistent with the LCP.

Public Resources Code Sections 30231 and 30234.5, as cited in the LCP, provide additional rationale for the proposed project with their respective mandates for protection of the biological productivity of coastal waters and the economic, commercial, and recreational values of fishing [Eureka LCP (V-1 to V3)].

Public Resources Code Section 31252 requires that all areas proposed for resource enhancement by a State agency...shall be identified in a certified local coastal plan or program as requiring public action to resolve existing or potential resource protection problems or shall be so identified in other local plans which the commission determines to be consistent with the policies and objectives of Division 20. . . .” As indicated above, the LCP identifies the project area as ESHA, and stipulates that ESHA be protected against significant disruption of habitat values. The Martin Slough Enhancement Project seeks to protect and restore habitat values disrupted by extensive habitat modifications discussed above.

McNamara Dairy

The North Coast Area Plan of the Humboldt County Local Coastal Program includes specific provisions consistent with restoration and management planning for the McNamara Dairy.

The Humboldt County LCP recognizes the agricultural value of lower Redwood Creek, establishing the bottom land soils around the Redwood Creek estuary as the only prime agricultural land in the planning area, apart from a small pocket south of Stone Lagoon. (County of Humboldt General Plan: North Coast Area Plan. §4.32, pg. 3) Plan recommendations include a sixty-acre minimum to insure continued agricultural use with a 20-acre option in conjunction with some guarantee of continued agricultural use such as a Williamson Act Contract. Management of the Dairy for continued agricultural use is consistent with the LCP. The Dairy is under a Williamson Act contract.

The LCP also recognizes the ecological importance of anadromous fish streams, and considers them environmentally sensitive habitat areas. The LCP identifies Redwood Creek as an Environmentally Sensitive Habitat Area (“ESHA”) (County of Humboldt General Plan: North Coast Area Plan. §3.41, pg. 22). Therefore, restoration and management of the property to protect the riparian zone between the dairy and the creek is consistent with the LCP.

COMPLIANCE WITH CEQA:

The proposed project is statutorily exempt from review under the California Environmental Quality Act (CEQA, Public Resources Code Section 21000 *et seq.*) because it involves only planning and feasibility analyses for possible future actions which have not yet been approved, adopted or funded (14 California Code of Regulations Section 15262). The proposed project is also categorically exempt in that it consists of data collection, research and resource evaluation which will not result in serious or major disturbance to an environmental resource (14 California Code of Regulations Section 15306.). Staff will file a Notice of Exemption upon approval.